



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

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March 12, 1986

TO: John J. Whitehead, Permit Supervisor/Reclamation
Hydrologist

FROM: Pamela Grubaugh-Littig, Reclamation Engineer *pgl*

RE: Status and Recommendations for Kerley Industries,
Inc.'s Silver Reef Mine, ACT/053/002, Washington
County, Utah

I reviewed the Petition prepared for the Board of Oil,
Gas and Mining hearings on August 23, 1984. The Division
requested:

1. An Order revoking the conditional approval of
5-M's Notice of Intent and prohibiting further
mining and mining-related activities at the Silver
Reef Mine; and
2. An Order directing 5-M to submit to the Division a
complete and accurate reclamation plan; and
3. An Order directing 5-M to provide a reclamation
surety; and
4. An Order directing 5-M to fully and completely
reclaim the affected area according to the
approved reclamation plan, subsequent to the
receipt of the surety bond and approval of the
reclamation plan.

OR

1. An Order suspending all mining and mining-related
activities at the Silver Reef Mine until the
reclamation bond is received at the Division; and

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2. An Order suspending all mining and mining-related activities at the Silver Reef Mine until the Division has received a complete and accurate mining and reclamation plan reflecting current and future operations at the mine site; and
3. An Order providing that failure to submit the surety bond and mining and reclamation plan will result in immediate and automatic revocation of the conditional approval of 5-M's Notice of Intent and the resultant bonding and reclamation obligations.

This matter was brought before the Board of Oil, Gas and Mining on August 23, 1984 and was continued until September 1984 (but never continued).

The reclamation surety bond was posted in the amount of \$55,210.00 by Kerley Industries, Inc., on August 24, 1984.

Since that time, there have been recommendations made by the technical staff that have been neglected and/or ignored:

1. Memorandum to Barbara W. Roberts from Mary M. Boucek (dated September 17, 1984) outlining the relief requested on Kerley Mining Company Petition. This memo requested submission of a new, comprehensive mining and reclamation plan by Kerley Mining Company to the Division by March 1, 1985.

No plan was received by the Division.

2. Letter from Ronald W. Daniels to Jerry Glazier (5-M) (January 8, 1985) requesting an annual report for activities during 1984.

No annual report was submitted to the Division.

3. Letter from Steve Cox to Howard Urband (Kerley Industries, Inc.) (April 19, 1985) requesting an updated MR-1 (an immediate response was requested so that final approval by the end of the year could be achieved).

No reply from Kerley Industries, Inc.

MR-1 rec'd 6/21/85. No response by Division.

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4. Letter from Pamela Crubaugh-Littig to Ronald Ashcroft (Kerley Industries, Inc.) (September 27, 1985) requesting posting of additional bond amount to cover escalation costs.

Letter received from Kerley Industries February 10, 1986 stating that increased surety should be posted by end of April 1986.

5. Letter from Lowell P. Braxton to Howard Urband (Kerley Industries, Inc.) (December 21, 1985) requesting an annual report for activities during 1985.

Response letter from Mr. Urband dated January 2, 1986 stating that Kerley Industries, Inc., has terminated its interest in the Silver Reef properties owned by 5-M, Inc. No work was performed in 1985.

Recommendations:

The permitting history for this operation has been inconsistent on both the part of the Division and the operator considering that:

1. The Division does not have an approved mining and reclamation plan from either 5-M, Inc., or Kerley Industries, Inc.; and
2. The Division presently has a reclamation bond in the amount of \$55,210.00 (1984 dollars); therefore

The Division should require that either 5-M or Kerley Industries submit an updated mining and reclamation plan by June 30, 1986 and submit the escalated bond amount for the disturbance estimated at \$61,728.00 (1987 dollars) by April 30, 1986.

The missing of either of these deadlines would result in Board action requesting complete and final reclamation.

bttb
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